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7 THOMAS A. SEAMAN

8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN JOSE DIVISION

11 SECURITIES AND EXCHANGE  
COMMISSION,

12  
13 Plaintiff,

14 vs.  
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16 SMALL BUSINESS CAPITAL CORP.;  
17 MARK FEATHERS; INVESTORS PRIME  
FUND, LLC; AND SBC PORTFOLIO FUND,  
18 LLC,

19 Defendants.  
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Case No. CV12-03237

**[PROPOSED] ORDER CONCLUDING  
RECEIVERSHIP AND:**

- (1) APPROVING SALE OF CLINE  
JUDGMENT AND CBB STOCK;**  
**(2) AUTHORIZING RECEIVER TO  
ESTABLISH RESERVE AND MAKE  
ADMINISTRATIVE PAYMENTS AND  
FINAL DISTRIBUTIONS TO CLAIMANTS;**  
**(3) APPROVING STIPULATION WITH  
SMALL BUSINESS ADMINISTRATION;**  
**(4) APPROVING FINAL ACCOUNTING  
AND REPORT;**  
**(5) APPROVING DISPOSITION OF BOOKS  
AND RECORDS;**  
**(6) RELEASING FEATHERS RESERVE  
FUNDS; AND**  
**(7) CONDITIONALLY DISCHARGING  
RECEIVER**

Date: October 20, 2016  
Time: 9:00 a.m.  
Cttrm: 4 - 5th Floor  
Judge: Hon. Edward J. Davila

1 The Motion to Conclude Receivership and for Order: (1) Approving Sale of Cline  
 2 Judgment and CBB Stock; (2) Authorizing Receiver to Establish Reserve and Make  
 3 Administrative Payments and Final Distributions to Claimants; (3) Approving Stipulation With  
 4 Small Business Administration; (4) Approving Final Accounting and Report; (5) Approving  
 5 Disposition of Books and Records; (6) Release of Feathers Reserve Funds; and (7) Conditionally  
 6 Discharging Receiver; Receiver's Final Report and Accounting ("Motion") of Thomas A. Seaman  
 7 ("Receiver"), Court-appointed permanent receiver for Small Business Capital Corp., Investors  
 8 Prime Fund, LLC, SBC Portfolio Fund, LLC, and their subsidiaries and affiliates, came before the  
 9 Court on October 20, 2016. Appearances were as noted on the record.

10 The Court having considered the Receiver's Motion, and good cause appearing therefor, IT  
 11 IS HEREBY ORDERED as follows:

- 12 1. The Motion is granted.
- 13 2. The Receiver's final accounting and report is approved.
- 14 3. The Receiver is authorized to sell the Cline Judgment in the manner described in  
 15 the Motion and to execute such documents as are necessary to complete such sale.
- 16 4. The Receiver is authorized to sell the California Business Bank stock in the manner  
 17 described in the Motion and to execute such documents as are necessary to complete such sale.
- 18 5. The Receiver is authorized to establish a reserve of \$275,000 ("Reserve") and make  
 19 administrative payments, tax payments, and final distributions to investors and non-investor  
 20 claimants from the Reserve pursuant to the approved Distribution Plan without further Court  
 21 approval. If there is more than \$25,000 remaining in the Reserve upon completion of the Closing  
 22 Tasks (defined below), the Receiver is authorized to distribute the funds to investors and non-  
 23 investor claimants pursuant to the approved Distribution Plan. If there is less than \$25,000  
 24 remaining in the Reserve upon completion of the Closing Tasks, the Receiver is authorized to  
 25 remit such amount to the Securities and Exchange Commission.
- 26 6. The Receiver is authorized to release the \$200,000 reserved for Feathers' legal fees  
 27 (as discussed in the Motion) and distribute the funds to investors and non-investor claimants as  
 28 part of the final distribution.

1           7.       The stipulation related to the claim of the U.S. Small Business Administration  
2 ("SBA Stipulation") is approved.

3           8.       Any and all claims asserted against the receivership estate by BusinessUS are  
4 hereby disallowed and barred.

5           9.       The Receiver is authorized to destroy and/or transfer receivership books and  
6 records in the manner described in the Motion. The United States Attorney's Office shall have  
7 60 days from the date of entry of this order to decide what records, if any, they wish to take from  
8 the Receiver.

9           10.      Once the sale of the Cline Judgment is completed, payment to the SBA pursuant to  
10 the SBA Stipulation has been made, Court-approved fees and costs of the Receiver and his  
11 professionals have been paid, the Reserve has been established, any 2015 taxes due have been  
12 paid, and any other ordinary course business expenses have been paid, the Receiver is authorized  
13 to distribute the funds remaining in the receivership estate to investors and non-investor claimants  
14 pursuant to the approved Distribution Plan.

15           11.      The Receiver is conditionally discharged. Upon completion of the tasks outlined in  
16 Section II.E of the Motion ("Closing Tasks"), the Receiver may file a declaration providing a final  
17 accounting of his use of the Reserve along with the Discharge Order (attached as Exhibit B to the  
18 Motion) and the Discharge Order will be entered without further notice or a hearing.

19           12.      The form of Discharge Order attached to the Motion as Exhibit B is approved.  
20 Upon entry of the Discharge Order, the receivership will be closed.

21           13.      All actions taken thus far by the Receiver and his professionals in the performance  
22 of the Receiver's Court-ordered duties under the Temporary Restraining Order (Dkt. No. 16),  
23 Preliminary Injunction Order (Dkt. No. 34), and subsequent orders of the Court are hereby  
24 approved and ratified.

25           14.      Jurisdiction over all disputes, claims, and causes of action arising from or relating  
26 to this receivership case is reserved in this Court. In addition, this Court shall have exclusive  
27 jurisdiction over any and all claims asserted by Defendant Mark Feathers against the Receiver, his  
28 company, his agents, or his professionals. The Court will review any and all such claims made by

1 Mr. Feathers to determine if a response is warranted. If a response is warranted, the Court will  
2 direct the appropriate parties to respond to the claims.

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4 Dated: \_\_\_\_\_

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Hon. Edward J. Davila  
Judge, United States District Court

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